



RICK CLAYBURGH  
TAX COMMISSIONER

# North Dakota Office of State Tax Commissioner

## SALES OF SEASONAL ITEMS

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### Sales and Use Tax Guideline

North Dakota Sales Tax Law provides for a 5 percent sales tax on all sales of tangible personal property including the sales of seasonal items such as fireworks and Christmas trees. Any person or organization that is selling seasonal items is a retailer and must obtain a sales tax permit. As a retailer selling seasonal items, you must obtain a sales and use tax permit; collect the state and local option sales taxes; and file a sales and use tax return.

#### ***Obtain North Dakota Sales and Use Tax Permit***

##### ❖ Retail Business with an Active Permit

Any person, firm or corporation that has a North Dakota Sales Tax Permit may sell seasonal items using the permit obtained to operate the retail business. Retail businesses with an active sales tax permit do not have to contact our office to sell seasonal items. Permits are not transferable.

##### ❖ Temporary Sales Tax Permit

Any person, firm or corporation that does not operate a retail business and does not have an active sales tax permit must obtain a temporary North Dakota Sales Tax Permit before selling seasonal items. To obtain a temporary sales tax permit you must contact our office *in writing* at least 30 days before you begin selling seasonal items. If you had a temporary sales tax permit in the past, you must contact our office to reactivate the permit for each season in which you will sell seasonal items. Our office will mail a temporary permit card and a sales tax return to you. This permit is valid for that season only, and the permit will be coded inactive at the end of that season.

##### ❖ A permit is required for each city in which you sell seasonal items. If you have more than one location in a city, you only need one temporary permit for all of your locations in that city. Permits are not transferable.

#### ***Collect State and Local Option Taxes***

The state sales tax rate on the gross receipts from the retail sales of seasonal items is 5 percent. In addition to the state rate, the local option tax also must be collected if the seasonal items are sold within the borders of a city and county that has imposed a local option tax. A guideline entitled *Local Option Taxes by Location* is available and lists the cities and counties that impose a local option tax. The guideline is available by calling our office or on our web site. To access the guideline from our web site, simply click on *Forms and Publications*, then click on *Sales and Special Taxes* and then click on *Sales Tax Guidelines*.

#### ***File Sales and Use Tax Return***

##### ❖ Retail Business with an Active Permit

Any retail business that has a sales tax permit must report the seasonal sales and pay the sales tax due when they file their scheduled sales and use tax return for that filing period.

##### ❖ Temporary Sales Tax Permit

Temporary sales tax permit holders must complete the sales tax return that is enclosed with the temporary permit and mail it to our office, with a check for the sales tax due, by the due date printed on the return. If the return is late or sent without payment in full, penalty and interest will be assessed on the return, and you may be required to post a bond before a permit is issued in the future.

## **Sale of Fireworks**

North Dakota Century Code ch. 23-15 permits the sale of fireworks during the period beginning June 27 and ending July 5, both dates inclusive. Any person, firm or corporation having a retail license may offer for sale and sell at retail fireworks defined in this section of the law.

## ***License to Sell Fireworks***

To sell fireworks you must purchase a license from the city auditor or the sheriff in the county where you plan to sell the fireworks. Please contact your local authorities for details on obtaining a license to sell fireworks.

Each city auditor and county sheriff will mail a list to our office which will include the names and addresses of individuals and businesses who purchase a license to sell fireworks. Please provide the following information when you purchase your license:

- Sales tax permit number
- Name, address and phone number of permit holder
- Name, address and phone number of individual purchasing the license for the permit holder
- Location of fireworks stand(s)

## **Temporary Permit Holders Please Note:**

Each year you sell seasonal items you must contact our office to obtain a temporary permit. Your temporary permit is not activated until you notify our office *in writing* of your intention to sell seasonal items.